

Minutes

Seattle City Employees' Retirement System Regular Board Meeting

Thursday, November 3, 2005 - 8:30 a.m.
Pacific Building, 10th Floor

Present: Norma McKinney, Lou Walter, Mary Norris, Paul Berry and Frank Mathews.

Absent: Richard McIver and Dwight Dively.

Frank Mathews served as Chair in the absence of Richard McIver.

Also Present: Bill Farrell – ARSCE, Ken Leask – ARSCE, Ken Hunich – ARSCE, Walt North – ARSCE, Gwen Jensen, Mike Monaco – Song Mondress, Norm Ruggles and Mel Robertson.

Public Comment: None.

Minutes:

Upon motion by Mary Norris, seconded by Paul Berry, the Retirement Board approved the minutes from the October 6, 2005 Retirement Board meeting.

Ratification of Retired Payroll, Office Payroll, Other Billings and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 5,818,159.70
Beneficiary	659,935.67
Disability	63,569.68
Pension Payroll – October 2005	\$ 6,541,665.05
Office Payroll - pay period ending October 4, 2005	\$ 25,198.53
Office Payroll - pay period ending October 18, 2005	\$ 25,526.02
Vouchers Processed - from September 30, 2005 through October 28, 2005	\$ 102,419.25
* \$ 64,564.91 Expert and Consultant Services	

Immediate Withdrawal of Contributions:

<u>Member</u>	<u>Department</u>	<u>Position</u>
Aldana, Asser Z	Civil Rights	Civil Rights Analyst
Alvarez, Efrain Alvaro	City Light	Lineworker
Aspuria, William G	DHHS	Admin Spec I
Atkinson, Walter L	Human Services	Human Service Prog Super
Bromwell-Winter, Linda	City Light	Admin Spec III
Cheung, Melody Y	Parks	Office Aid
Fitzthum, Don Wayne	DEA	Buyer
Flores, Jovonne D B	Parks	Rec Attendant
Greenlee, Jennifer A	Civil Rights	Civil Rights Analyst
Hamilton, Patrick R	Parks	Lifeguard
Harris, Bryan Arnold	Seattle Center	Drainage & WW Lead Wkr
Hay, Kent P	Muni Courts	Mental Health Probation Counselor II
Magnuski, Diane H	Personnel	Research & Evaluation Aid
Mark, Allison J	Finance	Tax Auditor
McCallion, Joan H	SDOT	Project Director
McCoy, Sajada R	DCLU	Permit Tech
McFadden, Judith Lynn	Library	Library Assoc II

Monaghan,Sheila K	Police	Dispatcher I
Montaperto,Joanne B	DCLU	Housing Technician Sr
Reilly,Chris P	Police	Warrant Officer
Robinson,Patricia F	Muni Courts	Court Cashier
Rodriguez,John	SPU	Drainage & WW Collection
Tiffany,Morgan	SPU	Civil Eng Spec II
Wasie,Mengisteia A	Seattle Center	Dining Room Attendant

Upon motion by Paul Berry, seconded by Mary Norris, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Dinish,Yvette M	10/10/2005	12	357	Vested	Vested	57	C10
Henderson,Karen L	10/5/2005	30	147	Parks	Maint Labor	51	A,G-50
Jones,Stephanie J	10/5/2005	25	81	Parks	Strategic Advisor I	59	C15,G-100
Kidder,Fay Myhre	9/10/2005	40	244	Parks	Tree Trimmer	69	E
Lewis,Mary Kay	10/5/2005	24	82	Muni Courts	Strategic Advisor I	56	D
Linn,Gwendlyn	7/7/2005	6	121	Seattle Center	Dining Room Attendant	50	Disab
Mathews,Kenneth E	10/5/2005	30	60	Police	Info Tech Prof A	62	E
McGovern,Joseph M	10/5/2005	20	121	City Light	Manager III	63	S
Okada,Satoshi	9/16/2005	14	157	Vested	Vested	58	D
Pratt,Roger	8/4/2005	17	55	Library	Coord Library Associate	59	Disab
Shope,Diann K	9/21/2005	29	214	SPU	Manager II	62	D
Springer,Charles F	9/25/2005	13	3	Vested	Vested	57	E,G-50
Tong,Linda D	9/23/2005	18	224	Vested	Vested	58	B
Vaughn,Richard L	10/5/2005	18	319	City Light	Powerline Clearance Coord	75	S
White,Frances F	10/4/2005	15	229	Neighborhoods	Admin Spec I	62	C5
Williams,Calvin	9/26/2005	28	323	Vested	Vested	68	S,G-100

Upon motion by Mary Norris, seconded by Paul Berry, the Retirement Board approved the service retirements listed above, pending final review.

Last month 40 members withdrew or retired, and 51 new members entered the System.

Ratification of Investment Transactions and Statement of Securities and Cash:

Norm reviewed the funding ratio along with monthly and year-to-date performance numbers on the Investment Summary report for September 2005. Mel highlighted items in the Investment Summary report and commented on likely investment results in October.

Upon motion by Paul Berry, seconded by Mary Norris, the Retirement Board approved the Investment Summary report.

Investment Committee Report:

The Investment Committee is scheduled to meet at 9:30 a.m. on Thursday, November 17, 2005 in the Retirement Office. [Note: The time of this meeting has been changed to 10:30 a.m.] The Investment Committee and Advisory Committee are scheduled to meet at noon on Thursday, November 17, 2005 in the Retirement Office.

Mel reported on the Investment Committee meeting held on Thursday, October 27, 2005. The Committee heard presentations from Aetos Capital and Attalus Capital. Aetos presented a blended 75% Long / Short Fund with

25% Opportunities Fund. Attalus presented their Long / Short Equity Fund. Both are funds of hedge funds. The Committee recommended terminating the relationship with Open Field Capital, which is managing the Amerindo portfolio on an interim basis, and splitting the proceeds between the funds presented by Aetos Capital and Attalus Capital. A brief discussion followed.

Upon motion by Paul Berry, seconded by Norma McKinney, the Board voted to approve the Investment Committee recommendation to liquidate the Amerindo portfolio and equally divide the proceeds between Attalus Capital's Long / Short Equity Fund and Aetos Capital's blend of 75% Long / Short Fund and 25% Opportunities Fund.

Lou Walter joined the meeting at 9:02 a.m.

Executive Director Report:

Norm told the Board about the upcoming Open Enrollment for retiree medical insurance. He said that Secure Horizons is offering two new plans having nationwide coverage for Medicare eligible retirees. Norm also mentioned that one of the provisions of adding the two new plans was that the retirees who currently have medical premiums deducted for Regence would have to begin paying their premiums directly to Regence, if they wish to remain covered by Regence. Regence coverage is individual coverage and enrollment to new retirees ceased in 1989.

Norm mentioned that as a result of the City signing new labor contracts, the Retirement Specialists have recalculated and adjusted the retirement allowances for those who retired since December 30, 2004. Retirement contributions have been and are being collected for those retirees and for current employees. Paul Berry asked Norm to inquire about collecting interest on the retroactive contributions that were made as part of the settlement of the labor contracts.

Norm told the Board that the various retiree COLA calculations and preparations were progressing and will be implemented on the monthly retirement check payable at the end of November.

Norm then reviewed a letter from Erin Devoto regarding credit missed before she joined the Retirement System as an exempt employee. The Board asked Norm to respond to Ms. Devoto informing her that the Board has no discretion to give her credit without payment for the time she has requested, but to also inform her that she is eligible to purchase the missed time in question, at the time of retirement or just prior to separating from City employment.

The Board then discussed a letter from Robert Hardin who requested that he be permitted to change his retirement option retroactively, in effect granting him a pop-up, since his late wife died the year following his retirement in January 1997, and the pop-up legislation was enacted not long after he retired. After discussion, the Board asked Norm to inform Mr. Hardin that changing his retirement option retroactively is not permitted.

After a brief discussion, the Board agreed to hold the January 2006 Board meeting on the second Thursday, January 12th, instead of the first Thursday, January 5th. Norm is currently working on the 2006 meeting schedule.

Norm handed out a report on operational efficiencies obtained through technology that the Retirement System has implemented or is exploring. Norma and Richard had recommended that such efficiencies should be emphasized.

Old Business:

(1) Status of Benefit Enhancements

The Board was informed that the estimated current funding level of the Retirement Fund is 88.78% as of September 30, 2005.

New Business:

(1) Disability Retirement Application for Yvette Austin

Mel reported that the Disability Committee recommends Board approval of this application.

Upon motion by Paul Berry, seconded by Norma McKinney, the Retirement Board voted unanimously to approve the disability retirement application for Yvette Austin based on the medical report of the independent doctor hired by the Retirement System, related materials, and the recommendation of the Disability Committee.

Old Business continued:

(2) Executive Session (Potential Litigation)

This business item was delayed on the agenda and deferred to the end of the meeting.

The Board moved to closed session at 9:58 a.m., to discuss potential litigation. No decisions were made or actions taken.

The Board returned to open session at 10:28 a.m. and invited those previously in attendance back into the room.

Adjournment

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board voted to adjourn the meeting at 10:29 a.m.

Norma McKinney, Secretary